

HOUSE BILL No. 1794

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-5.5-3.5.

Synopsis: Rural bank branch location incentive. Provides a five year credit against financial institutions tax liability for a financial institution that establishes an office in a school district that: (1) does not contain a branch or principal office of a financial institution that carries on certain banking functions; and (2) has a population of less than 6,500. Provides that the credit is equal to the lesser of: (1) the taxpayer's financial institutions tax liability; or (2) \$50,000 in the first year, \$40,000 in the second year, \$30,000 in the third year, \$20,000 in the fourth year, and \$10,000 in the fifth year.

Effective: January 1, 2000.

Friend, Smith M

January 26, 1999, read first time and referred to Committee on Financial Institutions.



Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1794

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-5.5-3.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2000]:

4 **Chapter 3.5. Credit for Establishing Certain Financial**
5 **Institution Offices**

6 **Sec. 1. As used in this section, "full service office" means an**
7 **office, an agency, or other place of business of a financial**
8 **institution:**

9 **(1) at which:**

10 **(A) deposits are regularly solicited and received;**

11 **(B) checks, negotiable or transferable instruments or**
12 **orders, or similar instruments are paid; and**

13 **(C) money is loaned; and**

14 **(2) that is open for business at least forty (40) hours each**
15 **week.**

16 **Sec. 2. (a) A taxpayer is entitled to a credit against the tax due**
17 **under this article if the taxpayer establishes a full service office**

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1 within a school district that:

- 2 (1) does not contain a full service office; and
 3 (2) has a population of less than six thousand five hundred
 4 (6,500).

5 (b) A taxpayer entitled to a credit under this chapter may claim
 6 the credit for five (5) taxable years if the taxpayer continues to
 7 operate the full service office.

8 Sec. 3. (a) The amount of the credit to which a taxpayer is
 9 entitled under this chapter equals the lesser of the following:

- 10 (1) The taxpayer's tax liability under this article for the
 11 taxable year.
 12 (2) The following amount:
 13 (A) Fifty thousand dollars (\$50,000) in the first year the
 14 credit is granted.
 15 (B) Forty thousand dollars (\$40,000) in the second year the
 16 credit is granted.
 17 (C) Thirty thousand dollars (\$30,000) in the third year the
 18 credit is granted.
 19 (D) Twenty thousand dollars (\$20,000) in the fourth year
 20 the credit is granted.
 21 (E) Ten thousand dollars (\$10,000) in the fifth year the
 22 credit is granted.

23 (b) To receive the credit provided by this chapter, a taxpayer
 24 must claim the credit on the taxpayer's return in the manner
 25 prescribed by the department. The taxpayer must also submit to
 26 the department any information that the department determines
 27 is necessary for the calculation of the credit under this chapter.

28 Sec. 4. Notwithstanding any other provision of this chapter, a
 29 taxpayer is not entitled to claim the credit provided by this chapter
 30 to the extent that the taxpayer substantially reduces or ceases the
 31 operation of a full service office in Indiana in order to relocate the
 32 full service office in a school district described in section 2(a) of
 33 this chapter. A determination that a taxpayer is not entitled to the
 34 credit provided by this chapter as a result of a substantial
 35 reduction or cessation of operations applies to credits that would
 36 otherwise arise in the taxable year in which the substantial
 37 reduction or cessation occurs and in all subsequent years. The
 38 department shall make determinations under this section.

39 SECTION 2. [EFFECTIVE JANUARY 1, 2000] IC 6-5.5-3.5, as
 40 added by this act, applies only to tax due under IC 6-5.5 for a
 41 taxable year beginning after December 31, 1999.

